



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from : General Secretariat of the Council
to : Delegations

Subject: Summary of the meeting of the European Parliament's **Committee on Budgets**
(BUDG) held in Brussels on 28 February 2012

The meeting was chaired by Mr LAMASSOURE (EPP, FR).

(The numbering refers to the items as listed on the agenda.)

BUDGET 2013

**ITEM 4. VOTE ON GUIDELINES FOR THE 2013 BUDGET - SECTION III -
COMMISSION**

Rapporteur: Mr LA VIA (EPP, IT)

The rapporteur's draft report was adopted (31 votes in favour, 3 against and 3 abstentions).

ITEM 5. ESTIMATES OF REVENUE AND EXPENDITURE FOR 2013 - SECTION I - PARLIAMENT

Rapporteur: Mr VAUGHAN (S&D, UK)

Secretary-General Mr WELLE and Vice-Presidents Mr PITTELLA and Mr VIDAL-QUADRAS presented the preliminary draft estimates of the European Parliament for the year 2013.

They considered that the proposed increase by 2.96 % in 2013 was a freeze in comparison with 2012, taking into account the average inflation rates. They underlined that this proposal represented 19.27 % of heading 5, which was the lowest percentage during the current multiannual financial framework (MFF). They also pointed out that, as this budget was the last of the current MFF and could be therefore considered as a basis for the next period, it was essential not to further reduce it. They presented the request for 29 new posts as very limited compared to previous years, notably taking into account Croatia's accession. They highlighted the savings which would be continued in translation and interpretation activities, in travel costs and in parliamentary assistance. They justified some increases, notably related to buildings maintenance, the information campaign for the 2014 elections, Eco Management and Audit Scheme (EMAS) reserve and the House of European History.

Mr VAUGHAN recalled that his draft report did not yet mention definitive increase figures, awaiting the agreement to be reached by the Bureau and BUDG at the conciliation meeting of 13 March, after a pre-conciliation meeting on 6 March. In his report, he wanted to underline the need to defend the principle of multilingualism when proposing the reorganisation of translation and interpretation activities. He also intended to request an independent evaluation of the European Parliament's budget, a freeze of all budget lines relating to travel expenses and to Member's individual allowances until the end of the legislature, and further savings regarding delegations. He requested the creation of a Directorate for democracy support to be budgetary neutral. He asked for additional information on the costs of the KAD building project and expected a concrete agreement on co-financing with the Commission of the House of European History.

Ms HOHLMEIER (EPP, DE) welcomed the fact that the proposal remained below 20 % of heading 5 and already included the costs related to Croatia's accession. She encouraged the possible development of e-meetings, and supported the new posts related to the KAD building. Supported by

Mr GARRIGA POLLEDO (EPP, ES), she questioned the limited part of the budget allocated to political parties in the information campaign for the 2014 elections. As regards EMAS, she also considered that further savings were possible.

Mr GARRIGA POLLEDO recalled that the main objective of the budget should be to ensure the missions of the European Parliament. He was convinced that the budget was efficiently used and insisted on the fact that the quality of legislative work should be guaranteed when making savings in translation. He agreed with the rapporteur on the need to rationalise costs related to delegations. However, he disagreed with the Bureau which wanted to increase the budget as it was the last year of the current MFF. He preferred to limit the increase to 1.9 % instead of 2.9 %.

Mr LYON (ALDE, UK) asked for clarifications on the creation of a Directorate for democracy support and on the measures taken to decrease staff in 2013, as proposed in the new Staff Regulations.

Ms ANDREASEN (EFD, UK), supported by Mr GERBANDY (ALDE, NL), considered the proposed increase to be totally unacceptable in this period of crisis and questioned all specific increases requested by the Bureau. Mr GERBRANDY also disagreed with the Bureau's attitude that in his view was motivated by finding the best position to negotiate the next MFF instead of looking for savings. He supported the rapporteur's request for an independent evaluation of the budget.

Mr ASHWORTH (ECR, UK) strongly recommended a real freeze of the budget.

Ms DURANT (GREENS, BE), supported by Ms GRELIER (S&D, FR), disagreed with the previous speakers, and considered the amounts proposed in the budget to be unavoidable and inherent to a transnational institution, and requested a "serious" budget.

Ms GERINGEN DE OEDENBERG (S&D, PL) asked for further information on costs related to the KAD building in 2016. She also wanted to examine the possibilities of reducing the travel costs of staff working in Luxembourg.

Mr WELLE confirmed that the creation of the Directorate for democracy support was budgetary neutral. He said that the decrease in staff proposed by the new Staff Regulations still needed to be confirmed in an interinstitutional agreement and therefore was not yet applied.

Mr VAUGHAN concluded that there was a consensus aiming at further reducing the proposed increase from 2.96 % to the maximum of 1.9 % advised by the Commission.

The vote in BUDG will take place on 21 March (deadline for amendments: 9 March).

ITEM 6. DRAFT AMENDING BUDGET 1/2012

Rapporteur: Ms BALZANI (S&D, IT)

Mr FÄRM (S&D, SE), on behalf of the rapporteur, confirmed that this proposal was a technical issue and was perfectly in line with the agreement reached during the trilogue in December 2011, as regards the amount of EUR 650 million in commitment appropriations to be added in 2012 for the financing of ITER, following the revision of the MFF.

The vote in BUDG will take place on 29 March (deadline for amendments: 12 March).

ITEM 7. STAFF REGULATIONS OF OFFICIALS AND CONDITIONS OF EMPLOYMENT OF OTHER SERVANTS OF THE EU

Rapporteur: Mr LYON (ALDE, UK)

The rapporteur stated in his draft opinion that this proposal should be supported, as it was an adequate response to the current context of crisis. However, he underlined that the proposals should be based on the need to reward performance and quality of service and take account of geographical balance. He also insisted on the need to protect BUDG prerogatives as regards EU institutions' administrative budget and establishment plans in the context of the annual budgetary procedure. He wanted to ensure strong relations between JURI and BUDG committees. He also recalled the pressure on the timetable due to the risk, in the case of no agreement being reached by the end of 2012, that all salaries would increase by 5.5 % due to the lapsing of the current special levy.

Ms JĘDRZEJEWSKA (EPP, PL), Ms HERCZOG (S&D, HU) and Ms DURANT welcomed the rapporteur's draft opinion. Ms JĘDRZEJEWSKA intended to introduce amendments to propose limiting the automatic upgrade and assuring the geographical balance, not only in number but also in grading. Ms HERCZOG wanted to make sure that savings made went to growth and employment. Ms DURANT insisted on the need to assure social fairness in the proposed savings.

Ms GRÄSSLE (EPP, DE) was disappointed by the rapporteur's draft opinion. She considered this proposal as a unique occasion to make important reforms.

Ms GRELIER asked for additional information on the involvement of the trade unions in the reform.

The vote in BUDG will take place on 22 March (deadline for amendments: 1 March).

ITEM 9. AMENDMENT OF DECISION No 1639/2006/EC ESTABLISHING A COMPETITIVENESS AND INNOVATION FRAMEWORK PROGRAMME (2007-2013) AND OF REGULATION (EC) No 680/2007 LAYING DOWN GENERAL RULES FOR THE GRANTING OF COMMUNITY FINANCIAL AID IN THE FIELD OF THE TRANS-EUROPEAN TRANSPORT AND ENERGY NETWORKS

Rapporteur: Mr FÄRM (S&D, SE)

During this second exchange of views, the rapporteur informed BUDG that the rapporteurs of TRAN and ITRE, though both EPP members, intended to issue very different opinions. The TRAN rapporteur considered the Commission proposal to be too limited and was in favour of Eurobonds. The ITRE rapporteur was more cautious and did not want to prejudge the results of the pilot phase on project bonds. He also questioned the fact that the pilot phase was limited to projects to be refinanced or to projects already well prepared. Mr FÄRM considered that this was normal at this stage. The ITRE rapporteur wanted to be very strict by using project bonds only in case of obvious EU added value and only in the domain of transports, energy and telecommunications, whereas the Commission intended to enlarge the scope of implementation. Mr FÄRM recalled that the pilot phase had to start as soon as possible in order to be able to take into account its evaluation for the next MFF.

Ms HERCZOG, also member of ITRE, pointed out that her political group was in favour of the proposal in ITRE. She wanted the pilot phase to be a success and insisted on its importance in modernising infrastructures.

Ms GRÄSSLE informed BUDG that, in her opinion, basic rules as regards financial instruments have been elaborated. She wanted to guarantee the consultation of the committees on decisions to be taken and requested specific budget lines for each instrument. She acknowledged the need for financial instruments but insisted on the need for visibility and verification to limit the risk for EU responsibility. Supported by Ms DURANT, she requested hearings of the Commission on this issue.

Mr RIQUET (EPP, FR) agreed with the rapporteur on the urgency. He was in favour of a fast selection mechanism of the projects and asked to examine the possibility of combining this financing with other ones. He was not in favour of Eurobonds at this stage and preferred to limit the level of ambition. He regretted the lack of control of EIB. He concluded that the need for quick decisions together with the need for a management of risks was a challenge.

Ms JENSEN (ALDE, DK) and Ms DURANT were in favour of project bonds, but disagreed with Eurobonds at this stage.

The representative of Commission's DG ECFIN confirmed that those instruments did not induce any risk for the EU budget outside the basis amount and that the proposal did not concern Eurobonds.

The vote in BUDG will take place on 25 April (deadline for amendments: 3 April).

ITEM 9. BUDGET 2012: SECTION III - COMMISSION

Rapporteur: Ms BALZANI (S&D, IT)

Transfer No DEC01/2012: Mr FÄRM, on behalf of the rapporteur, did not support this transfer related to the preparatory action "Forum for the EU Atlantic Strategy", due to a change of objective. The transfer was rejected.

Transfer No DEC04/2012: This transfer was approved.

ITEM 10. BUDGET 2012: OTHER SECTIONS

Rapporteur: Mr FERNANDES (EPP, PT)

EEAS transfer No 1/2012 was approved.

ITEM 11. BUILDING POLICY

Rapporteur: Ms HOHLMEIER (EPP, DE)

This item was not discussed.

ITEM 14. DATE OF NEXT MEETING

- 8 March 2012: 9.00 - 12.30 (Brussels)